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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #03195-85

25 JUN 1985

MEMORANDUM FOR: Distribution

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: East Asia Warning and Forecast Meeting

1. Representatives of the Intelligence Community met on 20 June 1985 to consider the attached subjects.

2. Next month's Warning and Forecast Meeting will be held on 17 July 1985 at 1400 hours in Room 7E62, CIA Headquarters. Recommendations for discussions/warning topics should be forwarded to this office by COB 3 July 1985.

3. Attendees from outside agencies are advised to arrive early to avoid parking problems created by construction work. For your convenience, please enter the compound through Gate 1, the Route 123 Entrance. Please telephone attendance intentions to [redacted] and have your clearances verified to us by your security office by COB 15 July 1985.

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Carl W. Ford, Jr.

Attachment:
20 June 1985 Warning Report

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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #03195-85/1

25 JUN 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: 19 June 1985 East Asia Warning and Forecast Meeting

Japan: Trade and Defense Issues

1. A/NIO EA [REDACTED] 25X1
focused on trade and defense issues. On trade, the Japanese are now convinced that they are "over the hump" and that pressure from the US will now ease for a while. [REDACTED] 25X1
convinced there is a cyclical pattern to trade pressures from the US and that we are now entering the annual down side of the cycle. In their view, the problem is not one of Japanese barriers, but one of US lack of effort. For example, they often note that there are 10,000 Japanese businessmen in the US and only 800 US businessmen in Japan. 25X1

[REDACTED]

3. On defense, the preception of the Soviet Union as a threat to Japan is understood by key Japanese leaders and officials, but is not keenly felt. There is an overwhelming belief that if there is a war the US will come to Japan's rescue. This belief, stemming from a variety of reasons, will continue to cause the Japanese to restrict expenditures for defense improvements. The figure will continue to be around 1% of GNP; modernization will be slow and will not even meet Japan's own modest

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defense plans. These plans therefore will constantly be rewritten as has been the case thus far. Meanwhile, the Japanese will claim that they are putting forth a full effort for defense modernization because they appear to struggle annually to get a 6-7% increase in defense spending. However, with respect to the Strategic Defense Initiative, the Japanese appear to be anxious to get involved. They see prospects for gaining hi-tech which they can ultimately use for commercial gain; also, over the longer haul, they see some prospects that SDI can have some advantages for Japan's own defense.

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North Korean MiG 23s

1. [] Defense Intelligence Agency, reviewed the introduction of MiG 23s into North Korea. One contingent of MiG 23s went to an airfield near Pyongyang for the anniversary of the end of WWII in Europe; they returned to the USSR after the celebration. Ten days later on the 22nd of May six other MiG 23s arrived in North Korea.

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Prediction:

3. Additional evidence suggests that more crews are receiving training, probably sufficient to handle a regiment -- from 35-45 total aircraft. While the acquisition of six MiG 23s will not upset the military balance on the Korean peninsula in the short term, the acquisition of further MiG 23s from the Soviets by North Korea could have an impact, depending, of course, on what measures the US and South Korea take to improve our capabilities.

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Hu Yaobang as Statesman

1. [] OEA, discussed recent developments in China's leadership, particularly General Secretary Hu Yaobang. He emphasized that it is important to continually reevaluate the evidence and challenge assumptions about developments among the Chinese leadership. It is widely held that there is a close relationship between Deng and Hu, for example, yet Hu appeared to take some indirect swipes at Deng in his interview with Lu Keng of Pai Hsing. It was a free-wheeling interview wherein questions were raised as to the cohesiveness of the reform coalition. Also it is unclear whether Hu was badgered into making the statements he did, or whether he knew what he was doing and was sending a signal.

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2. On the Taiwan question, Hu was not trying to signal a change in policy, but his approach was consistently negative, as it has been in the past. Hu did not mention the peaceful reunification approach or the one nation-two systems idea advocated by Deng, and implicitly threatened the use of force.

His attitude toward the United States was cold and adversarial. It is notable that since his interview there has been no reporting of it in the PRC media; the Hong Kong PRC-controlled media has either ignored or minimized the significance of Hu's statements. The interview did reveal that Hu was willing and able to talk one-on-one with a tough interviewer on sensitive issues.

3. During the discussion a question was raised about Hu's views on the United States. We now have three instances -- the statement on Zhao's visit while Hu was in Japan, the statement on the ship visit, and the recent comments on Taiwan--in which Hu seemingly made gaffes, but which may, in fact, have been calculated. Hu's statements could be evidence of divergences over foreign policy among the leadership.

4. The discussion also reviewed Hu's attitude toward the USSR. Hu is probably not pro-Soviet, even though he seems to be more positive toward the USSR than other leaders. He called the USSR a "socialist" country as early as 1979, fuzzed China's three conditions for normalization in a news conference shortly before going to Australia, and has otherwise demonstrated a favorable disposition toward better-Sino-Soviet ties;

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nevertheless, the Chinese overtures to the Soviets have not borne concrete results.

Prediction:

Deng is expending a great deal of political capital in trying to achieve leadership changes, and the result could be increased factionalism within the Party. Hu probably will continue to make significant inroads as a foreign policy player. There may be others among the "old guard" in China who favor better Sino-Soviet ties and a more independent Chinese foreign policy as well.

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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #02951-85
11 June 1985

MEMORANDUM FOR: Distribution

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: Proposed Agenda for the 19 June 1985 East Asia Warning
and Forecast Meeting

1. The monthly Warning and Forecast Meeting is scheduled for Wednesday, 19 June 1985, at 1400 hours in Room 7E62, CIA Headquarters.

2. Participants should be prepared to discuss the following topics. Keep in mind that our objective is to identify collection gaps and make forecasts rather than review current intelligence.

3. At this meeting we will discuss and make forecasts concerning the following topics:

1400-1405	Opening Remarks	NIO	
1405-1410	Observations on US-Japan defense and trade issues <div style="border: 1px solid black; height: 1.2em; width: 340px; margin-top: 2px;"></div>	A/NIO	25X1
1410-1420	MIG-23s in North Korea--impact on the military balance	DIA	
1420-1425	Discussion		
1425-1435	Chinese leadership tensions and Hu Yaobang's recent statements	OEA/ <div style="border: 1px solid black; height: 1.2em; width: 180px; margin-top: 2px;"></div>	25X1
1435-1440	Discussion		
1440-1450	<div style="border: 1px solid black; height: 1.2em; width: 440px; margin-top: 2px;"></div>	OEA, <div style="border: 1px solid black; height: 1.2em; width: 130px; margin-top: 2px;"></div>	25X1
1455-1500	Closing Remarks	NIO	

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4. Following the Warning and Forecast Meeting, the special Interagency Philippines Analytic Group will hold its meeting. Topics for discussion are:

1500-15-5	Opening Remarks	NIO	
1505-1515	Prospects for the Philippine Economy	OEA	25X1
1515-1520	Discussion		
1520-1530	The Moderate Opposition and CPP's United Front Efforts	OEA	25X1
1530-1540	Discussion		
1540-1550	Military Prospects for the Insurgents and the AFP	DIA	
1550-1555	Discussion		
1555-1600	Closing Remarks	NIO	

5. Please telephone your attendance intentions to [redacted] and have your clearances verified to us by your security office by COB 17 June 1985. Seating in 7E62 is limited, therefore, timely arrival is suggested. Visitor parking is at a premium and participants are encouraged to use the shuttle buses or carpool to the meeting.

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Carl W. Ford, Jr.

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